



# **The Town of Summerville and the Summerville Redevelopment Corporation Public-Private Partnership Agreement**



## **Fact Sheet**

---

The Town of Summerville and the Summerville Redevelopment Corporation recently entered into a Public-Private Partnership Agreement with Applegate & Company that brings publicly-owned facilities and privately-owned developments together to form one large economic development project for downtown Summerville. Each component of this development supports the other to make it possible for the overall project to be a viable investment for both the town and the developer.

- In November 2013, the town advertised and requested proposals from developers interested in building a boutique hotel on town-owned property in downtown Summerville. The RFP asked proposers to consider the possibility of including a conference center on that site.
- Applegate & Co. was the sole responder to the RFP.
- In December, town council authorized the Mayor to begin negotiations with Applegate & Co. on the project.
- Negotiations then took place to formulate a plan that included the town's desire to incorporate a conference center in the project and the developers need for a viable development.
- The project consists of 4 major components - a parking garage and conference center (publicly-owned facilities) and a boutique hotel and condominiums (privately-owned development).
- The project complies with the town's current height restrictions and also meets the town's vision plan recommendation for density development in the downtown area.
- The public facilities will be built on publicly owned land. The private development will be built on privately owned land.
- The town will own the conference center and parking garage but both will be managed under a management contract.
- There will be a land swap of square footage that will be determined at final design and platting to accommodate the placement of the buildings.

- The developer has agreed to a \$20 million dollar investment in the private development and will acquire additional property and easements to complete the project.
- The developer will be responsible for construction of the entire project including planning, engineering, site work and construction of the hotel, condominiums, conference center and parking garage.
- The town will issue bonds in the amount of \$5,200,000 to fund the construction of the parking garage and conference center.
- The bonds will be paid over 20 years with hospitality tax fund revenues of approximately \$600,000 per year which equates to 20% of the current hospitality tax fund budget.
- The town recently undertook the public process of preparing a vision plan for the town's future growth. As a result, the town created a redevelopment corporation, which consists of the Mayor and Council, to facilitate financing and funding for various community and economic development projects throughout Summerville.
- The Summerville Redevelopment Corporation has agreed to provide the developer with a bridge loan in the amount of \$3,750,000, if needed, at no interest for 24 months (during construction of the project). If the project is not complete within 24 months, interest will accrue at 3.75% until the construction is complete and the developer obtains permanent financing, at which time the loan will be paid in full together with any accrued interest.
- The overall project, including additional components of the hotel, such as retail space, a fine-dining restaurant, and a roof-top bar is expected to create about 60 jobs, boost tourism, and stimulate economic growth in the downtown area.
- The town will receive significant building permit fee revenue in addition to impact fees for municipal, fire, and park and recreation facilities as the project gets started.
- Once the project is complete, the town will receive new revenues in the form of business license fees from the hotel, restaurant, retail shops, and roof-top bar and property taxes on the condominiums and hotel. There will also be income from parking garage and convention center fees. The town will receive hospitality taxes from the restaurant, conference center and roof-top bar and accommodations taxes from the hotel.